

0014

facsimile
TRANSMITTAL

to: Ms. Pamela Grubaugh-Littig
fax #: (801) 359-3940
re: Mining Plan Modification Decision Document for Canyon Fuel Company LLC's Skyline Mine, Federal lease UTU-67939
date: February 27, 2006
pages: 4 (four) including this cover sheet.

Meoing
c/007/0005

Ms. Grubaugh-Littig:

On February 24, 2006, the U.S. Department of the Interior approved a mining plan modification for Federal lease UTU-67939 at Canyon Fuel Company LLC's Skyline Mine. This mining plan action relates to Federal lands associated with the Utah Department of Natural Resources, Division of Oil, Gas and Mining (UT-DOGM) State Decision Document, Canyon Fuel Company, LLC, North Lease - UTU-67939, Full Extraction Mining, Skyline Mine, C/007/0005, approved on December 2, 2005.

The February 24, 2006, approval allows Canyon Fuel Company LLC to begin full extraction by longwall mining methods in the Lower O'Connor "A" coal seam, in the North Lease Tract, Federal coal lease UTU-67939, within the area covered by Utah State permit C/007/0005. A copy of the Mining Plan Modification Decision Document and associated text and maps will be sent via regular mail shortly.

Please forward a copy of the following three (3) pages to Canyon Fuel Company LLC.

If you have any questions, or need anything more, please contact me by any of the methods listed at the lower right of this cover.



From the desk of...

Carl R. Johnston
Natural Resource Specialist
OSMRE / WRCC / PSD / NWB
P.O. Box 46667
Denver, CO 80201-6667

Courier delivery: 1999 Broadway, Suite 3320

303 / 844-1400 - ext. 1500
Fax: 303 / 844-1538
e-mail: CJOHNSTO@OSMRE.GOV

FEB 27 2006



United States Department of the Interior

OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240

FEB 15 2006

MEMORANDUM

To: R. M. "Johnnie" Burton
Acting Assistant Secretary
Land and Minerals Management

From: Brent Wahlquist, Acting Director
Office of Surface Mining *Brent Wahlquist*

Subject: Recommendation for Approval, Without Special Conditions, of the Mining Plan
Modification for Federal Lease UTU-67939 at Canyon Fuel Company, LLC's
Skyline Mine located in Carbon County, Utah

I recommend approval for full extraction by longwall mining methods, without special conditions, of this mining plan modification. My recommendation is based on:

- (1) Canyon Fuel Company, LLC's complete permit application package (PAP);
- (2) compliance with the National Environmental Policy Act of 1969;
- (3) documentation assuring compliance with applicable requirements of other Federal laws, regulations, and executive orders;
- (4) comments and recommendations or concurrence of other Federal agencies, and the public;
- (5) the findings and recommendations of the Bureau of Land Management regarding the resource recovery and protection plan, the Federal lease requirements, and the Mineral Leasing Act; and,
- (6) the State Decision Document, Canyon Fuel Company, LLC, North Lease - UTU-67939, Full Extraction Mining, Skyline Mine, C/007/0005.

The Secretary may approve a Mining Plan for Federal leases under 30 U.S.C. §§ 207(c) and 1273(c). In accordance with 30 CFR Chapter VII, Subchapter D, I find that the proposed new mining plan will be in compliance with all applicable laws and regulations.

Attachment

Page 1 of 2

UNITED STATES
DEPARTMENT OF THE INTERIOR

This mining plan approval document is issued by the United States of America to:

Canyon Fuel Company, LLC
HC 35 Box 380
Helper, Utah 84526

for a mining plan modification for Federal lease UTU-67939 at the Skyline Mine. The approval is subject to the following conditions. Canyon Fuel Company, LLC is hereinafter referred to as the operator.

1. Statutes and Regulations.--This mining plan approval is issued pursuant to Federal lease UTU-67939; the Mineral Leasing Act of 1920, as amended (30 U.S.C. 181 et seq.); and in the case of acquired lands, the Mineral Leasing Act for Acquired Lands of 1947, as amended (30 U.S.C. 351 et seq.). This mining plan approval is subject to all applicable regulations of the Secretary of the Interior which are now or hereafter in force; and all such regulations are made a part hereof. The operator shall comply with the provisions of the Water Pollution Control Act (33 U.S.C. 1151 et seq.), the Clean Air Act (42 U.S.C. 7401 et seq.), and other applicable Federal laws.
2. This document approves the mining plan modification for Federal lease UTU-67939 at the Skyline Mine and authorizes full extraction by longwall mining methods on the Federal lease within the area of mining plan approval. This mining plan modification authorization expands the approved mining plan area into the following Federal coal lands:

Township 12 South, Range 6 East SL Meridian Utah

Section 26, S½SE¼, SE¼SW ¼;
Section 34, Lots 1, 2, 3, and 4, SE¼NW¼, E½SW¼NW¼, N½S½;
Section 35, All.

Township 13 South, Range 6 East SL Meridian Utah

Section 2, All;
Section 3, All;
Section 10, Lots 1, and 2, NE¼, E½NW¼;
Section 11, N½, N½S½.

Mining Plan Approval Document No. UT-0003

Page 2 of 2

This mining plan modification also authorizes full extraction mining in all of Federal lease UTU-67939. These lands encompass approximately 2,011 acres and are found on the USGS 7.5 minute Quadrangle map of Scofield, Utah, and as shown on the map appended hereto as Attachment A.

3. The operator shall conduct coal mining operations only as described in the complete permit application package, and approved by the Utah Division of Oil, Gas and Mining, except as otherwise directed in the conditions of this mining plan approval.
4. The operator shall comply with the terms and conditions of the lease, this mining plan approval, and the requirements of the Utah State Permit No. C/007/0005 issued under the Utah State program, approved pursuant to the Surface Mining Control and Reclamation Act of 1977 (30 U.S.C. 1201 et seq.).
5. This mining plan approval shall be binding on any person conducting coal development or mining operations under the approved mining plan and shall remain in effect until superseded, canceled, or withdrawn.
6. If during mining operations unidentified prehistoric or historic resources are discovered, the operator shall ensure that the resources are not disturbed and shall notify Utah Division of Oil, Gas and Minerals and the Office of Surface Mining Reclamation and Enforcement (OSM). The operator shall take such actions as are required by Utah Division of Oil, Gas, and Minerals in coordination with OSM.
7. The Secretary retains jurisdiction to modify or cancel this approval, as required, on the basis of further consultation with the U.S. Fish and Wildlife Service pursuant to section 7 of the Endangered Species Act, as amended, 16 U.S.C. 1531 et seq.


Acting Assistant Secretary
Land and Minerals Management

2-24-06
Date